

Introduced by Senator Runner

February 19, 2010

An act to add Sections 6830.5 and 6830.6 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1306, as introduced, Runner. Sales and use taxes: collections agreements: delinquent accounts.

Existing law authorizes the State Board of Equalization to take various collection actions to effect the collection of delinquent amounts due under the Sales and Use Tax Law and also authorizes the board to contract with a private collection company to identify and collect out-of-State sales and use tax delinquent accounts.

This bill would authorize the board to enter into agreements with one or more persons for the purpose of collecting delinquent sales and use tax accounts regardless of where located, as provided. The bill would require that any amounts received by the board from collections on delinquent accounts pursuant to those provisions be deposited into the Delinquent Sales and Use Tax Collection Fund, which the bill would create in the State Treasury. This bill would continuously appropriate moneys in the new fund to reimburse the board for its contracting costs and would prohibit these funds from being used in place of funds from other sources that are available for appropriation to the board, as provided.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6830.5 is added to the Revenue and
2 Taxation Code, to read:

3 6830.5. The board may enter into agreements with one or more
4 persons for the purpose of collecting delinquent accounts with
5 respect to amounts assessed or imposed under this part. The
6 agreement may provide for the rate and manner of payment for
7 the contracted collection services. However, the consideration
8 payable by the board under the agreement shall not be included in
9 the amounts to be collected from the tax debtor by the contractor
10 providing collection services.

11 SEC. 2. Section 6830.6 is added to the Revenue and Taxation
12 Code, to read:

13 6830.6. (a) Any amounts received by the board pursuant to
14 Section 6830.5, notwithstanding any other law, shall be deposited
15 into the Delinquent Sales and Use Tax Collection Fund, which is
16 hereby created in the State Treasury.

17 (b) Notwithstanding Section 13340 of the Government Code,
18 there are hereby continuously appropriated from the Delinquent
19 Sales and Use Tax Collection Fund to the board those amounts of
20 money necessary for reimbursement of the board's contracting
21 costs. Any moneys remaining in the Delinquent Sales and Use Tax
22 Collection Fund after disbursements to the board shall be
23 transferred to the Retail Sales Tax Fund by the Controller upon
24 notification by the board.

25 (c) The funds generated through this section shall not be used
26 in place of funds from other sources that are available for
27 appropriation to the board.